OVERVIEW

A summary of the Articles of Association is set out below, which will take effect on the date of [**REDACTED**] of the H Shares on the HKEX. As the primary purpose of this Appendix is to provide potential [**REDACTED**] with an overview of the Articles of Association, which may not contain all the information that is material to prospective [**REDACTED**].

SHARES AND REGISTERED CAPITAL

All the shares issued by the Company are ordinary shares. All the shares issued by the Company are denominated in RMB.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual subscribing to the shares shall pay the same price for each share.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to respective resolution of the shareholders' meeting, by any of the following methods:

(i) a public offering of shares;

(ii) a private placement of shares;

(iii) allotment of bonus shares to existing shareholders;

(iv) conversion of reserve funds to share capital; or

(v) other methods permitted by laws and administrative regulations and approved by the CSRC.

Reduction of Capital

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the PRC Company Law, other relevant regulations, as well as the Articles of Association.

Repurchase of Shares

Under the following circumstances, the Company may acquire its own shares in accordance with laws, administrative regulations, departmental rules and the Company's Articles of Association:

(i) to reduce the registered capital of the Company;

(ii) to merge with other companies that hold shares in the Company;

(iii) to use the shares for employee shareholding schemes or as share incentives;

(iv) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meeting on the merger or division of the Company;

(v) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(vi) to safeguard corporate value and shareholders' equity as the Company deems necessary;

(vii) Other circumstances permitted by applicable laws, administrative regulations, and the regulatory rules of the place where the company's shares are listed.

Transfer of Shares

The shares of the Company may be transferred in accordance with the law.

The shares issued by the Company before public offering shall not be transferred within one year from the date on which the Company's shares are listed on the stock exchange.

Directors and senior management of the Company shall report their shareholding in the Company and changes thereof to the Company, and during the term of office fixed at the time of appointment, the shares transferred each year shall not exceed 25% of the total Company shares held by them; the Company shares held by them shall not be transferred within one year from the date when the shares of the Company are listed and traded; within half a year from departure from the Company, the aforesaid persons shall not transfer the Company shares held by them.

If the securities regulatory rules of the place where the Company is listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of members. The register of members is sufficient evidence of the shareholders' shareholding in the Company. A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations. The Company shall make available the Hong Kong branch register of shareholders for inspection by shareholders, provided that the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the rules of the securities regulatory authorities of the place where the Company is listed.

When the Company intends to convene a shareholders' meeting, distribute dividends, enter into liquidation and engage in other activities that require determination of shareholdings, the Board of Directors or the convenor of a meeting shall determine an equity record date, and the shareholders registered after the close of the equity record date shall be the shareholders entitled to the relevant rights and interests.

Rights and Obligations of the Shareholders

Shareholders of the ordinary shares of the Company shall enjoy the following rights:

(i) the right to dividends and other distributions in proportion to the number of shares held;

(ii) the right to apply legally for, request, convene, preside, attend or appoint proxies to attend shareholders' meetings and to exercise the corresponding voting right;

(iii) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;

(iv) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(v) the right to inspect the Articles of Association, the register of members, the minutes of shareholders' meetings, resolutions of the Board of Directors and financial and accounting reports, Shareholders who meet the prescribed requirements may also inspect the Company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division made by the shareholders' meeting of may request the Company to purchase their shares; and

(viii) such other rights provided by laws, administrative regulations, departmental rules, listing rules of the place where the Company is listed or these Articles of Association.

Shareholders of ordinary shares of the Company shall have the following obligations:

(i) to abide by laws, administrative regulations and the Articles of Association;

(ii) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to return shares unless prescribed otherwise in laws and administrative regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person or the limited liability of shareholders to harm the interests of the Company's creditors; and

(v) other obligations that should be assumed under the laws, administrative regulations, the listing rules of the place where the Company is listed and these Articles of Association.

If a shareholder of the Company abuses shareholder rights and causes losses to the Company or other shareholders, he shall bear compensation liability in accordance with the laws.

General Rules for the Shareholders' Meeting

The shareholders' meeting is the power organ of the Company and exercises the following functions and powers in accordance with the law:

(i) to elect and replace directors who are not employee representatives; and to decide on matters relating to their remuneration;

(ii) to review and approve reports of the Board of Directors;

(iii) to review and approve the profit distribution plans and loss recovery plans of the Company;

(iv) to adopt resolutions on increasing or reducing the registered capital of the Company;

(v) to adopt resolutions on the issuance of bonds of the Company;

(vi) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to make resolutions on the hiring and dismissal of accounting firms by the Company;

(ix) to review and approve the guarantee matters under Article 43 of the Articles of Association;

(x) to review and approve the purchase or the sale of major assets by the Company (including subsidiaries under control) within one year, and the amount of which exceeds 30% of the latest audited total assets of the Company;

(xi) to review and approve matters relating to the modification of use of proceeds;

(xii) to review the Company's share incentives schemes and employee shareholding schemes;

(xiii) to view other matters that are required to be resolved by the shareholders' meeting as prescribed by the law, administrative regulations, departmental rules and other securities regulatory rules of the place where the Company is listed or these articles of association.

The shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings shall be convened once a year and within six months after the end of the preceding fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) the number of directors is less than two-thirds of the number prescribed in the Articles of Association or Company Law;

(ii) the losses of the Company that have not been made up reach one-third of its total share capital;

(iii) such is requested in writing by a shareholder alone or shareholders jointly holding no less than 10% of the Company's outstanding voting shares;

(iv) the Board of Directors considers it necessary;

(v) the Audit Committee proposes to convene a meeting; or

(vi) other circumstances as specified by laws, administrative regulations, department rules, and other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

If the extraordinary shareholders' meeting is convened in accordance with the provisions of the securities regulatory rules of the place where the Company is listed, the actual convening date of the extraordinary shareholders' meeting can be adjusted according to the approval progress of the stock exchange where the Company is listed.

Proposals and Notices of Shareholders' Meetings

The contents of proposals shall fall within the authority of shareholders' meetings, have a clear topic and specific resolution, and be in compliance with the laws, administrative regulations and the relevant provisions of the Articles of Association.

The Board of Directors, Audit Committee and shareholders individually or jointly holding no less than 1% of the shares of the Company shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding no less than 1% of the shares of the Company may submit interim proposals in writing to the convenor ten days prior to the date of shareholders' meeting. The convenor shall issue a notice to other shareholders within two days after receipt of the proposal, meanwhile, submit interim proposal for deliberation by the shareholders' meeting. However, this shall not apply if the interim proposal violates laws, administrative regulations, or the provisions of these Articles of Association, or falls outside the scope of authority of the shareholders' meeting.

Except as provided in the preceding paragraph, the convenor, after issuing the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meetings nor add new proposals.

The convenor shall issue notice 21 days prior to the convening of the annual shareholders' meeting to notify every shareholder or 15 days prior to the convening of the extraordinary shareholders' meeting to notify every shareholder.

Notice of the shareholders' meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) subject matters and proposals submitted for consideration and approval on the meeting;

(iii) particulars shall be in clear text that all shareholders are entitled to attend shareholders' meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;

(iv) shareholders are entitled to present on the equity determination date of shareholders' meetings;

(v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings; and

(vi) online or other means of voting time and voting procedures;

(vii) other circumstances as specified by laws, administrative regulations, department rules, and other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Holding of Shareholders' Meetings

All shareholders or their proxies of the Company registered on the register of members on the equity record date shall have the right to attend shareholders' meetings and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Shareholders may attend a shareholders' meeting in person and may appoint a proxy to attend and vote on their behalf.

Shareholders' meetings shall be presided over by the chairman of the Board of Directors.If the chairman of the Board of Directors is unable or fails to perform his/her duties, a director shall be jointly elected by more than half of the directors to preside over the meeting.

Voting and Resolutions of Shareholders' Meeting

Resolutions of the shareholders' meeting include ordinary resolutions and special resolutions. Ordinary resolution at a shareholders' meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights. Special resolution at a shareholders' meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

Shares in the Company which are held by the Company do not carry any voting rights, and such shares shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

Decisions of the shareholders' meeting on any of the following matters shall be adopted by special resolution:

(i) the increase or reduction of the registered capital by the Company;

(ii) the division, merger, dissolution and change of form of the Company;

(iii) the amendment to the Articles of Association;

(iv) the purchase or the sale of major assets by the Company within one year, of which exceeds 30% of the latest audited total assets of the Company;

(v) the share incentive schemes and employee share ownership plans;

(vi) the provision of guarantees for shareholders, actual controllers, and their affiliates; and;

(vii) other matters that are stipulated by laws, administrative regulations, the Articles of Association of the Company or the securities regulatory rules of the place where the Company is listed, and are recognized by the shareholders' meeting through an ordinary resolution as having a significant impact on the Company and requiring adoption by a special resolution.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they held, with one vote for each share.

When the shareholders' meeting considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately. The results of the separate vote counting shall be publicly disclosed in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting as well as the Central Clearing and Settlement System.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors are elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office for a director is 3 years, and upon expiration, re-election is possible.

The term of office of a director shall commence on the date of taking office and end on the expiration of the term of the current session of the Board. If a director is not re-elected in a timely manner upon the expiration of his term of office, the former director shall perform his duties as a director in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association before the re-elected director takes office.

The directors shall abide by the laws, administrative regulations and the Articles of Association and have the following duty of loyalty to the Company:

(i) shall not embezzle the property of the Company or misappropriate the Company's funds;

(ii) shall not open an account for depositing the Company's assets or funds in its own name or in the name of another individual;

(iii) shall not take advantage of his power to accept bribes or other illegal income;

(iv) shall not, directly or indirectly, enter into any contract or conduct any transaction with the Company unless the matter has first been reported to, and approved by resolution of, the Board of Directors or the shareholders' meeting in accordance with these Articles of Association;

(v) shall not take advantage of his or her position to secure, for himself or herself or for any other person, any business opportunity belonging to the Company, unless the matter has first been reported to, and approved by resolution of, the Board of Directors or the shareholders' meeting in accordance with these Articles of Association, or the Company is unable to utilize such opportunity under applicable laws, administrative regulations, or these Articles of Association;

(vi) shall not operate on his or her own account or on behalf of any other person any business of the same nature as that of the Company unless the matter has first been reported to, and approved by resolution of, the Board of Directors or the shareholders' meeting in accordance with these Articles of Association;

(vii) shall not accept commissions as theirs' from transactions conducted by the others and the Company;

(viii) shall not disclose the Company's secrets without authorization;

(ix) shall not make use of the affiliated relationship to prejudice the interests of the Company; or

(x) other duties of loyalty stipulated by the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Any income derived by a director from violation of the provisions of the preceding paragraph shall belong to the Company; for any resulting loss to the Company, such director shall be liable for compensation.

Directors shall abide by the laws, administrative regulations and the Articles of Association and shall be subject to the following diligence obligations to the Company:

(i) shall exercise the rights granted by the Company in a prudent, conscientious and diligent manner to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that the extent of the commercial activities do not exceed the business scope stipulated in the business license;

(ii) shall treat all Shareholders fairly;

(iii) shall keep abreast of the Company's business operation and management;

(iv) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(v) shall truthfully provide relevant information and materials to the Audit Committee, and shall not hinder the Audit Committee from performing their duties; and

(vi) other diligence obligations stipulated by laws, administrative regulations, departmental rules, the Articles of Association, and the securities regulatory rules where the Company's stock is listed.

The Company has at least three independent non-executive Directors. The independent non-executive Directors represent at least one-third of the Board of Directors. At least one of the independent non-executive Directors of the Company has appropriate accounting or related financial management expertise. The independent non-executive Directors must be independent and must not have relationships with the Company and its substantial Shareholders that would interfere with their independent and objective judgment. The independent non-executive Directors shall have sufficient business or professional experience to perform their duties faithfully and safeguard the interests of the Company; in particular, they shall see to it that the legitimate rights and interests of public Shareholders are not harmed, so as to ensure that the interests of all Shareholders are fully represented. At least one of the independent non-executive Directors is ordinarily resident in Hong Kong. The issues including conditions of appointment, nomination and election procedures, term of office, resignation, functions and powers of the independent non-executive Directors are implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed. Unless otherwise stipulated herein, the provisions of the Articles of Association relating to the qualifications and duties of the Directors shall apply to the independent non-executive Directors. The matters related to the independent non-executive Directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, relevant regulatory bodies and securities exchanges, and shall be specified by the working system of the independent non-executive Directors of the Company.

Board of Directors

The Company shall set up a Board of Directors, which shall be responsible for the shareholders' meeting.

The Board of Directors shall consist of eight (8) Directors, comprising five (5) Executive Directors and three (3) Independent Non-executive Directors, and shall have one (1) Chairman.

The Board of Directors exercises the following functions and powers:

(i) to convene shareholders' meetings and report to the shareholders' meetings;

(ii) to implement resolutions of the shareholders' meetings;

(iii) to decide on the Company's business plans and investment plans;

(iv) to formulate the Company's profit distribution plans and plans on making up losses;

(v) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and the listing of shares of the Company;

(vi) formulate plans for major acquisitions of the Company, the repurchase of the Company's shares or plans for mergers, divisions, dissolutions, and change of form of the Company;

(vii) within the scope of the authorization granted by the shareholders' meeting, decide on matters such as the Company's external investments, acquisition and sale of assets, asset mortgages, external guarantees, entrusted financial management, related party transactions, and external donations;

(viii) to decide on the establishment of internal management organs of the Company;

(ix) to appoint or dismiss the president of the Company and the secretary of the Board of Directors, and to decide on matters regarding their remunerations, rewards and punishments; based on the nomination of the president, to appoint or dismiss senior management personnel such as the vice president and the chief financial officer of the Company, and to decide on matters regarding their remunerations, rewards and punishments;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals to amend the Articles of Association;

(xii) to manage information disclosure of the Company;

(xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that provides audit services to the Company;

(xiv) to listen to the work report of the general manager of the Company and to inspect the work of the general manager of the Company; and

(xv) to consider and approve any transaction (including, without limitation, notifiable transactions and connected/related-party transactions) that, under the regulatory rules of the stock exchange on which the Company's shares are listed, is required to be decided by the Board of Directors; and

(xvi) other duties stipulated by laws, administrative regulations, the Articles of Association, and the securities regulatory rules where the Company's stock is listed, as well as other powers granted by the Articles of Association.

A Board meeting shall be convened only when more than one-half of the Directors are present. Except for the matters specified in items (v), (vi) and (xi) and any other matters that, under applicable laws, administrative regulations, departmental rules, the listing rules of the stock exchange on which the Company's shares are listed, or these Articles of Association, require approval by at least two-thirds of the Directors, all other resolutions of the Board may be passed by a simple majority of all Directors.

Special Committee of the Board of Directors

The Board of Directors of the Company shall establish the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and relevant special committees such as the Strategy Committee according to needs. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for consideration and approval.

In particular, the Audit Committee shall be comprised of at least three members, all of whom shall be the non-executive Directors, and more than half of the members shall not hold any other positions in the Company other than the Directors, and shall not have any relationship with the Company that may affect their independent objective judgment, and at least one of the members shall be an independent non-executive Director with appropriate professional qualifications required by the Hong Kong Listing Rules, or have appropriate accounting or related expertise in financial management, and such independent non-executive Director shall serve as the chairman. The chairmen of each special committee shall be appointed and dismissed by the Board of Directors.

The independent non-executive Directors shall account for more than one-half of the Nomination Committee and the Remuneration Committee, and the convener shall be the chairman of the committee, who shall be an independent non-executive Director.

Special committees of the Board of Directors are designated organizations under the Board of Directors, which provide suggestions or consulting opinion to the Board of Directors on material decision-making. Special committees shall not make any decision in the name of the Board of Directors, but can exercise the right of decision-making on authorized matters in accordance with the special authorization from the Board of Directors.

Each special committee shall be accountable to the Board of Directors and report its works to the same.

GENERAL MANAGER AND OTHER MEMBERS OF THE SENIOR MANAGEMENT

The Company has one general manager, who is appointed or dismissed by the Board of Directors. The Company also has several vice presidents, nominated by the general manager and appointed by the Board of Directors. The president, vice presidents, chief financial officer and secretary of the Board of Directors of the Company are the senior management personnel of the Company.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(ii) to organize the implementation of the Company's annual business plans and investment plans;

(iii) to draft plans for the establishment of the Company's internal management organization;

(iv) to draft the Company's basic management system;

(v) to formulate the specific rules and regulations of the Company;

(vi) To submit to the Board of Directors proposals for the appointment or dismissal of the Company's Vice President(s) and Chief Financial Officer;

(vii) transactions that do not meet the thresholds for review and approval by the shareholders' meeting or the Board of Directors as set out in these Articles of Association; and

(viii) such other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall be present at the meetings of the Board of Directors.

The Company shall have a secretary to the Board of Directors, whose primary responsibilities include but not limited to prepare shareholders' meetings and Board meetings of the Company, maintaining documents and managing shareholder information of the Company.

The Audit Committee of the Board of Directors

The Company shall have no Supervisory Committee. The Audit Committee of the Board of Directors shall exercise the following functions and powers:

(i) to review financial information in financial accounting reports and periodic reports, internal control reports;

(ii) to propose to the Board of Directors appointment or dismissal of accounting firm undertaking the Company's audit;

(iii) to propose to the Board of Directors appointment or dismissal of chief financial officer;

(iv) to propose to the Board of Directors changing accounting policy, accounting estimate or correcting material accounting errors occurring for reasons other than a change in accounting standard;

(v) to examine the Company's financial matters;

(vi) to supervise the performance by the Directors and senior management of their duties to the Company and propose the dismissal of the Directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the General Meeting;

(vii) to demand rectification from the Directors and senior management when the acts of such persons are harmful to the Company's interests;

(viii) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;

(ix) other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

Resolutions of the Audit Committee shall be passed by half or more of the members of the Audit Committee.

The Audit Committee under the Board of Directors shall hold a meeting at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convenor deems it necessary. The quorum of the meetings of the Audit Committee of the Board of Directors shall be not less than two thirds of the members.

The Board of Directors shall obtain the approval of a majority of all members of the Audit Committee before making a resolution on the following matters:

(i) appointing and dismissing the accounting firm undertaking the Company's audit;

(II) appointing or dismissing of the Company's chief financial officer;

(iii) disclosing the financial and accounting reports;

(iv) other matters prescribed by the securities regulatory authorities of the State Council.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTIONS AND AUDITING

Financial and Accounting Systems

The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations, and the provisions of the Ministry of Finance of the State Council. Where the Hong Kong Listing Rules or the securities regulatory authority of the Company's stock listing venue prescribe otherwise, those provisions shall prevail.

The Company shall prepare an annual financial report at the end of each financial year and have it audited by a certified public accounting firm in accordance with the law.

Unless otherwise provided in these Articles of Association, the Company shall, at least twenty-one (21) days before the annual general meeting, deliver or send by prepaid post to every holder of overseas-listed shares the aforesaid report, together with the directors' report, the balance sheet (including every document required by law to be annexed thereto) and the profit-and-loss account or income-and-expenditure statement, addressed to the registered address shown in the register of members. Notwithstanding the foregoing, for holders of overseas-listed shares, the Company may give notice by publishing the documents on the Company's website, the website of The Stock Exchange of Hong Kong Limited, and/or any other website(s) prescribed from time to time under the securities regulatory rules of the Company's stock listing venue, provided that the requirements of the applicable laws, administrative regulations and the securities regulatory authority of the Company's stock listing venue are satisfied.

The aforementioned regular reports shall be prepared in accordance with relevant laws, administrative regulations, regulations of the CSRC, and the rules of the stock exchange where the Company is listed.

Profit Distributions

The profit distribution policy of the Company is as follows:

(i) Basic principles of the Company's profit distribution policy

The Company implements an active profit distribution policy, attaches great importance to reasonable investment returns for shareholders, and the profit distribution policy should maintain continuity and stability.

(ii) Details of the Profit Distribution Policy

(1) Forms of profit distribution

The Company may distribute dividends in cash, in shares, or by a combination of both; however, cash dividends shall take precedence whenever the Company is eligible to make them.

(2) Specific conditions for cash dividends

If the Company recorded a profit in the preceding financial year and its cumulative distributable profits are positive, and provided that the normal production and operating funding needs of the Company have been met, the Company shall distribute dividends in cash.

The Company's profit distribution policy will maintain consistency and stability. If adjustments to the profit distribution policy become necessary due to significant changes in external operating conditions or the company's own operational circumstances, such adjustments must prioritize the protection of shareholder rights. The Board of Directors shall conduct research and analysis, and in the shareholder meeting proposal, provide detailed justification and explanations by comprehensively considering factors such as industry competition, the company's financial position, and capital needs planning. Proposals concerning adjustments to the profit distribution policy require review by the Board of Directors before submission to the Company's shareholder meeting for approval. Furthermore, the adjusted profit distribution policy must not violate the relevant regulations of the China Securities Regulatory Commission and the stock exchange where the company is listed.

In cases where shareholders have improperly occupied company funds, the company shall deduct the cash dividends allocated to such shareholders to repay the occupied funds.

The Company implements an internal audit system and is equipped with full-time auditors to conduct internal audit supervision on the Company's financial revenue expenditures and economic activities.

The Company's internal audit system and the responsibilities of the auditors should be implemented after approval by the Board of Directors. The head of the audit department is accountable to and reports to the audit committee of the Board of Directors.

MERGER, DIVISION, INCREASE OF CAPITAL, REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Merger, Division, Increase of Capital and Reduction of Capital of the Company

In a merger of companies, the Company shall execute a merger agreement and prepare the balance sheet and property list. The Company shall notify their creditors within ten days of adopting merger resolutions, and shall publish the announcement within 30 days through newspapers or the National Enterprise Credit Information Publicity System. Creditors shall be entitled to claim full repayment of all debts owed by the Company or require that appropriate assurances be provided within 30 days of receiving the notice, or within 45 days of publication of the announcement if any such creditor does not receive the notice.

In the event of a merger of companies, the debts and liabilities of the merging parties shall be assumed by the surviving Company or the newly established Company after the merger.

If the Company is to be divided, its assets shall be divided accordingly.

In a division of the Company, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within ten days of the date on which the division resolution is adopted, and shall publish the announcement within 30 days through newspapers or the National Enterprise Credit Information Publicity System.

The debts of a Company prior to its separation shall be jointly and severally liable to the Company after separation. However, unless otherwise agreed in the written agreement reached between the Company and the creditors on the settlement of debts before the separation.

When the Company needs to reduce its registered capital, it must prepare the balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of making the resolution on reducing the registered capital, and shall announce it through newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors shall be entitled to claim full repayment of all debts owed by the Company or require that appropriate assurances be provided within 30 days of receiving the notice, or within 45 days of publication of the announcement if any such creditor does not receive the notice.

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum limit.

Dissolution and Liquidation of the Company

The Company shall be dissolved in accordance with the law under any of the following circumstances:

(i) the term of business operation expires as specified by the Articles of Association or other matters leading to dissolution occur as specified by the Articles of Association;

(ii) the shareholders' meeting resolves to dissolve the Company;

(iii) dissolution is necessary as a result of the merger or division of the Company;

(iv) the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws; or

(v) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights of the Company may petition a People's Court to dissolve the Company.

In the event of the circumstances specified in Article 181(1) and (2) of the Articles of Association, and if the property has not been distributed to the shareholders, the Company may continue its existence by amending the Articles of Association or pursuant to the resolution of shareholders' meeting.

Amendments to the Articles of Association in accordance with the preceding paragraph must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting. If the Company is dissolved due to the reasons specified in Article 181 (1), (2), (4) and (5) of these Articles of Association, a liquidation committee shall be established within 15 days to commence liquidation. The liquidation committee shall be composed of directors or persons determined by the shareholders' meeting. If a liquidation committee is not formed to carry out liquidation within the time limit, creditors may apply to the People's Court to appoint relevant persons to form a liquidation committee to carry out the liquidation.

The liquidation committee shall notify creditors within ten days of its establishment, and shall announce it through newspapers or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the written notice or, if they did not receive a written notice, within 45 days from the date of the announcement. When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims. During the period of declaration of claims, the liquidation committee shall not repay the debts to creditors.

After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the shareholders' meeting or the People's Court where the Company is registered for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold. During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

If the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of bankruptcy in accordance with the law. After the People's Court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the bankruptcy administrator appointed by the People's Court.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend the Articles of Association:

(i) after the PRC Company Law or relevant laws, administrative regulations, or securities regulatory rules of the place where the Company is listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules;

(ii) the circumstances of the Company have changed, which are inconsistent with the matters recorded in the Articles of Association; or

(iii) the shareholders' meeting decides to amend the Articles of Association.

If the matters regarding the amendment of the Articles of Association approved by the resolutions of the shareholders' meeting involve the items subject to Company registration, the alteration registration shall be handled in accordance with the laws.